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October 8, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BY HAND DELIVERY

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: Ex Parte Presentation, MM Docket No. 92-260; CS Docket No. 95-184 (Inside Wiring)

Dear Mr. Caton:

In accordance with Section 1.1200, et seq. of the Commission's rules, this letter provides notice that on Wednesday, October 8, 1997, Chris Coles, Senior Vice President & General Manager, Business, Sales & Marketing for Tele-Communications, Inc. ("TCI") and the undersigned met with Anita Wallgren and Marsha MacBride in connection with the above-captioned proceeding. TCI urged the Commission to adopt the modifications, set forth in TCI's comments, of the proposed inside wiring procedures. A summary of TCI's proposals, which was handed out at the meetings, is attached.

Kindly direct any questions about this matter to the undersigned.

Thank you.

Sincerely,

Francis M Buono

Francis M. Buono

Attachment

cc: Marsha MacBride, Legal Advisor, Commissioner Quello
Anita Wallgren, Legal Advisor, Commissioner Ness

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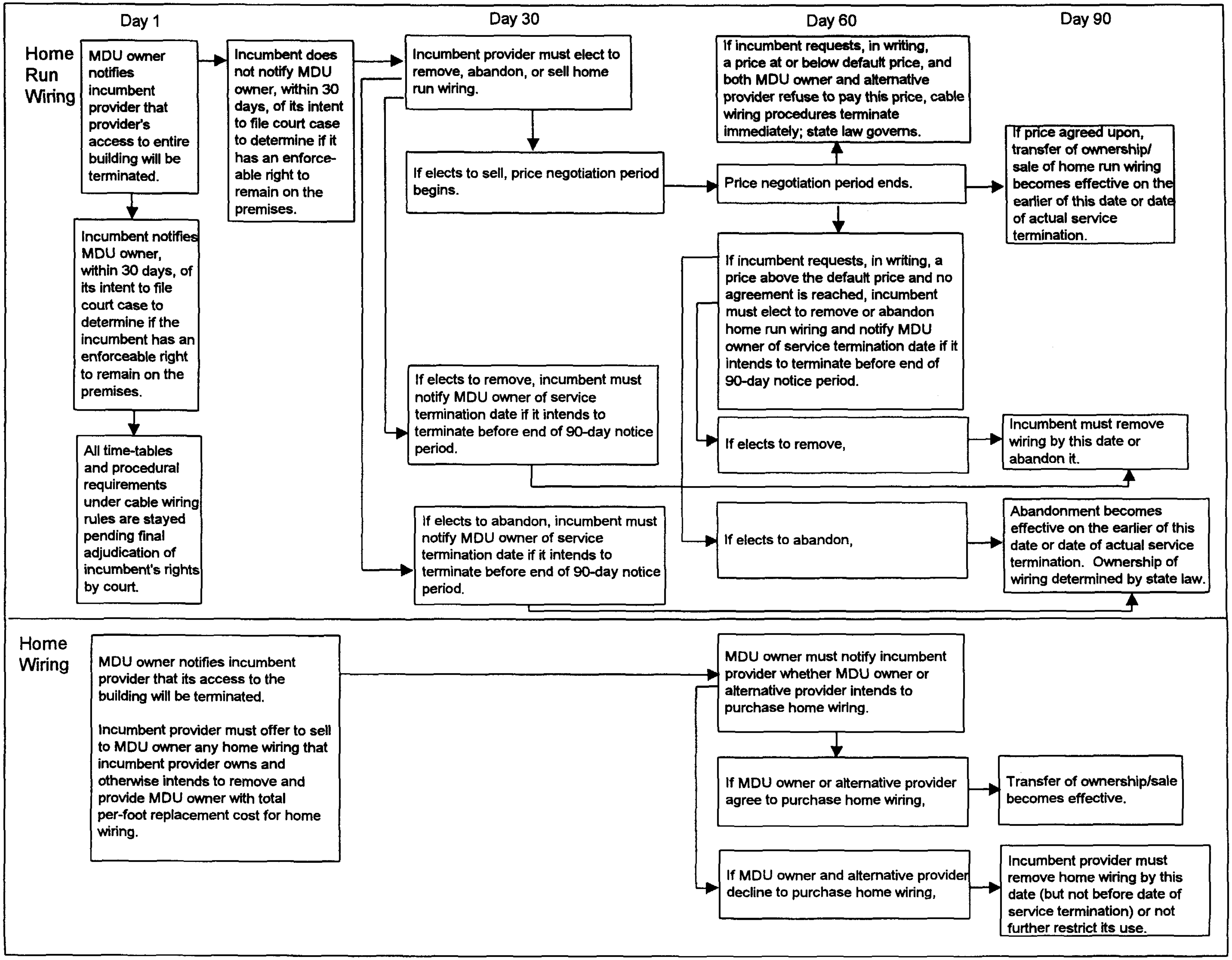
IN ORDER TO PROMOTE COMPETITION IN MDUS, THE COMMISSION MUST MODIFY ITS PROCEDURES TO GIVE BOTH THE INCUMBENT AND THE NEW ENTRANT INCENTIVES TO PURSUE A SEAMLESS TRANSITION.

Problem With the Proposed Procedures. MDU owners and new MVPDs will have no incentive to accept an incumbent's offer to sell the home run wiring, even at a reasonable price, because they have nothing to lose and everything to gain by forestalling negotiations until they know whether the incumbent is really willing to remove the wiring. The proposed procedures thus unjustifiably stack the deck in favor of the buyer. As such, they will increase the possibility of disruptive removals and will generally impede, rather than foster, a smooth transition.

TCI's Proposed Solution. Establish a range of default prices for home run wiring (based on replacement cost) and terminate the procedures if the MDU owner and the new MVPD reject the incumbent's offer to sell the wiring at the default price.

- TCI's changes will give the procedures the best chance to work with minimal delay and litigation. Rather than instituting legal action to maintain its wiring on the premises, the incumbent will have an incentive to trigger the procedures in the hope that it will obtain the default price.
- These changes will also enhance the possibility that a sale of the wiring will occur. As such, they will facilitate a smoother transition to the new MVPD and minimize disruption in subscriber service (see Attached Flow Chart).
- A replacement cost standard is appropriate.
    - If the default price is set at less than replacement value, the incumbent will have a significantly reduced incentive to sell the wiring. This will increase the possibility of disruptive removals and will generally impede, rather than foster, a smooth transition.
    - Also, any lesser amount would result in a windfall to the buyer, i.e., if the incumbent were to remove its home run wiring, the new MVPD would have to install the wiring by itself and pay the full replacement cost.
    - TCI proposes the following default prices per unit for the three typical MDU configurations: $72, $115, and $184. This range of prices is entirely reasonable. Non-cable MVPDs previously entered cost information into the record indicating that it costs $500 (ICTA) or $400-$500 (Optel) to wire each MDU unit.

BUILDING-BY-BUILDING DISPOSITION OF CABLE WIRING



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